

THIS ORDINANCE SECURES BONDS OR OTHER OBLIGATIONS ISSUED IN ACCORDANCE WITH THE PROVISIONS OF THE “REDEVELOPMENT AREA BOND FINANCING LAW” AND THE LIEN HEREOF IN FAVOR OF THE OWNERS OF SUCH BONDS OR OTHER OBLIGATIONS IS A MUNICIPAL LIEN SUPERIOR TO ALL OTHER NON-MUNICIPAL LIENS HEREINAFTER RECORDED.

**THE CITY OF
EAST ORANGE, NEW JERSEY
ORDINANCE NO. 20 OF 2020**

ORDINANCE OF THE CITY OF EAST ORANGE AUTHORIZING THE EXECUTION OF A FIRST AMENDMENT TO FINANCIAL AGREEMENT FOR PAYMENTS IN LIEU OF TAXES WITH RESPECT TO CERTAIN PROPERTIES IDENTIFIED ON THE CITY’S TAX MAPS AS BLOCK 386, LOTS 2, 3, AND 4 (HUE SOUL SITE).

WHEREAS, the Local Redevelopment and Housing Law, *N.J.S.A. 40A:12A-1 et seq.*, as amended from time to time (the “**Redevelopment Law**”) authorizes municipalities to determine whether certain parcels of land in a municipality constitute areas in need of redevelopment or rehabilitation, and to adopt a redevelopment plan for such areas, pursuant to which redevelopment projects are to be undertaken; and

WHEREAS, in or about 2004, the City designated certain parcels along Lower Main Street as areas in need of redevelopment (the “**Lower Main Redevelopment Area**”), including, in relevant part, the parcels identified as Block 373, Lots 1, 5, 5.01, 5.02, 6; Block 386, Lots 2, 3, and 4; Block 373, Lots 2, 3, and 4; Block 370, Lots 1, 2, 2.01, 3, 4, 5; Block 371, Lot 1; Block 372, Lots 1, 3, 4, 6, 8.02; Block 387, Lots 1 and 2; and Block 387.01, Lot 1; and

WHEREAS, on or about April 1, 2004, the City adopted the “City of East Orange Lower Main Street Redevelopment Plan” for said Lower Main Redevelopment Area; and

WHEREAS, the City subsequently further designated certain other parcels near Lower Main Street as areas in need of redevelopment (the “**Lower Main Phase II Redevelopment Area**”; together with the Lower Main Redevelopment Area, the “**Redevelopment Area**”), including, in relevant part, the parcels identified as Block 370, Lots 6 and 7 and Block 371, Lots 27 and 28; and

WHEREAS, on or about February 15, 2005, the City adopted the “City of East Orange Lower Main Street Phase II Redevelopment Plan” for said Lower Main Phase II Redevelopment Area; and

WHEREAS, by resolution dated January 30, 2012, the City subsequently designated the entire City as an area in need of rehabilitation in accordance with the provisions of *N.J.S.A. 40A:12A-14* (the “**Rehabilitation Area**”); and

WHEREAS, on April 19, 2012, by Ordinance No. 9-2012, the City Council adopted a redevelopment plan entitled “City-Wide Redevelopment Plan for the City of East Orange” for the Rehabilitation Area; and

WHEREAS, in 2012, the State of New Jersey designated the half-mile radius surrounding the Brick Church Train Station within the City as a transit village (the “**Transit Village District**”), which Transit Village District includes the Hue Soul Site and the Hue Lofts Site (as each is herein defined); and

WHEREAS, on December 28, 2015, by Ordinance 57-2015, the City Council adopted a redevelopment plan for the Transit Village District, entitled “East Orange Transit Village District Redevelopment Plan” (as same may be amended or supplemented from time to time, the “**Redevelopment Plan**”); and

WHEREAS, Redeveloper and the City entered into that certain Redevelopment and Purchase and Sale Agreement dated May 31, 2018 (the “**2018 Redevelopment Agreement**”), for the redevelopment of certain properties within the Arts and Cultural Sub-District of the Transit Village District, including Block 373, Lots 1, 5, 5.01, 5.02, and 6 (collectively, the “**Hue Lofts Site**”) and Block 386, Lots 2, 3, and 4 (collectively, the “**Hue Soul Site**” or “**Property**”) and Block 373, Lots 2, 3, and 4; and

WHEREAS, Redeveloper and the City entered into that certain Financial Agreement dated September 13, 2018 (the “**2018 Financial Agreement**”), setting forth the terms and conditions for a tax exemption, payment in lieu of taxes and issuance of bonds for the Hue Lofts Site and the Hue Soul Site, pursuant to the Exemption Law and the Redevelopment Area Bond Financing Law, *N.J.S.A. 40A:12A-64, et seq.* (the “**RAB Law**”)

WHEREAS, following the execution of the 2018 Redevelopment Agreement and the 2018 Financial Agreement, the Parties continued discussions as to the most effective means of carrying out redevelopment on the Hue Lofts Site, Hue Soul Site, and the Parties agreed to focus solely on the redevelopment of the Hue Soul Site and to abandon redevelopment of the Hue Lofts Site at this time; and

WHEREAS, Redeveloper and the City entered into that certain Amended and Restated Redevelopment Agreement dated [_____] (the “**Redevelopment Agreement**”) providing for the redevelopment of the Hue Soul Site only and eliminating Redeveloper as the designated redeveloper of the Hue Lofts Site or Block 373, Lots 2, 3, and 4; and

WHEREAS, the City desires to authorize the execution of a first amendment to the 2018 Financial Agreement to be consistent with the Redevelopment Agreement and to eliminate the tax exemption, payment in lieu of taxes and issuance of bonds for the Hue Lofts Site,

NOW, THEREFORE, BE IT ORDAINED AND ENACTED by the City Council of the City of East Orange, in the County of Essex, State of New Jersey as follows:

I. GENERAL

The aforementioned recitals are incorporated herein as though fully set forth at length.

II. EXECUTION OF FINANCIAL AGREEMENT AUTHORIZED

(a) The Mayor is hereby authorized and directed to execute the First Amendment to Financial Agreement, substantially in the form as it has been presented to the City Council, and attached hereto as

Exhibit A, subject to additions, deletions, modifications, or revisions deemed necessary and appropriate in consultation with counsel.

(b) The Clerk of the City is hereby authorized and directed, upon the execution of the First Amendment to Financial Agreement in accordance with the terms of Section II(a) hereof, to attest to the signature of the Mayor upon such document and is hereby further authorized and directed to affix the corporate seal of the City upon such document.

(c) The City Clerk shall file certified copies of this ordinance and the First Amendment to Financial Agreement with the Tax Assessor of the City. In accordance with P.L. 2015, c. 247, within ten calendar days following the later of the effective date of this Ordinance or the execution of the First Amendment to Financial Agreement by the Entity, the City Clerk also shall transmit a certified copy of this Ordinance and the First Amendment to Financial Agreement to the chief financial officer of Essex County and to the Essex County Counsel for informational purposes.

III. SEVERABILITY

If any part of this Ordinance shall be deemed invalid, such parts shall be severed and the invalidity thereby shall not affect the remaining parts of this Ordinance.

IV. ACTION REGARDING FINANCIAL AGREEMENT

The Mayor is hereby authorized and directed to determine all matters and terms in connection with the First Amendment to Financial Agreement, all in consultation with the redevelopment counsel to the City, and the manual or facsimile signature of the Mayor upon any documents shall be conclusive as to all such determinations. The Mayor, the Business Administrator, the Chief Financial Officer, the City Clerk and any other City official, officer or professional, including but not limited to, redevelopment counsel, bond counsel, the financial advisor and the auditor to the City, are each hereby authorized and directed to execute and deliver such documents as are necessary to facilitate the transactions contemplated hereby, and to take such actions or refrain from such actions as are necessary to facilitate the transactions contemplated hereby, in consultation with, as applicable, redevelopment counsel, bond counsel, the financial advisor and the auditor to the City, and any and all actions taken heretofore with respect to the transactions contemplated hereby are hereby ratified and confirmed.

V. AVAILABILITY OF THE ORDINANCE

A copy of this Ordinance shall be available for public inspection at the offices of the City.

VI. EFFECTIVE DATE

This Ordinance shall take effect according to law.

EXHIBIT A

Form of First Amendment to Financial Agreement